

**UNITED STATES OF AMERICA
BEFORE THE NATIONAL LABOR RELATIONS BOARD
DIVISION OF JUDGES
SAN FRANCISCO, CA**

**INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL 501**

and

CASE 28–CB–170340

BRADY LINEN SERVICES, LLC

*Elise F. Oviedo, Esq., for the General Counsel.
Adam M. Stern, Esq. and Justin M. Crane, Esq.
(The Meyers Law Group, A.P.C.),
for the Respondent.*

DECISION

STATEMENT OF THE CASE

Dickie Montemayor, Administrative Law Judge. This case was tried before me on February 7, 2017, in Las Vegas, Nevada. Charging Party (Employer) filed a charge on February 22, 2016, alleging violations by International Union of Operating Engineers, Local 501 (Respondent) of Section 8(b)(3) of the National Labor Relations Act, as amended (the Act). Respondent filed an answer to the complaint denying that it violated the Act. After considering the matter, (including the briefs filed by the parties on March 28, 2017) and based upon the detailed findings and analysis set forth below, I conclude that the Respondent violated the Act essentially as alleged.

FINDINGS OF FACT

JURISDICTION

The complaint alleges, and I find that

1. (a) At all material times, the Employer has been a limited liability company with an office and a place of business in Las Vegas, Nevada (Employer's facilities), and has been engaged in the operation of a commercial laundry service.

(b) In conducting its operations during the 12-month period preceding February 22, 2016, the Employer purchased and received at its facilities goods valued in excess of \$50,000 directly from points outside the State of Nevada.

(c) In conducting its operations during the 12-month period ending February 22, 2016, the Employer derived gross revenues in excess of \$500,000.

(d) At all material times, Employer has been an employer engaged in commerce within the meaning of Section 2(2), (6), and (7) of the Act.

(e) At all material times, the Union has been a labor organization within the meaning of Section 2(5) of the Act.

2. At all material times the following individuals held the positions set forth opposite their respective names and have been agents of Respondent within the meaning of Section 2(13) of the Act:

- (a) Thomas O'Mahar- President
- (b) Kevin Million-Business Agent
- (c) Charles Martin- Business Agent

The following employees of the Employer (the Unit) constitute a unit appropriate for the purposes of collective bargaining within the meaning of Section 9(b) of the Act.

All Chief Engineers, Senior Watch Engineers, Maintenance Engineers, and Apprentice Engineers directly employed by the Employer to perform work covered by the classifications set forth in Article 16, but excluding all other employees.

3. In 2000, the Board certified Respondent as the exclusive collective-bargaining representative of the Unit.

4. At all times since 2000, based on Section 9(a) of the Act, Respondent has been the exclusive collective-bargaining representative of the Unit.

ALLEGED UNFAIR LABOR PRACTICES

i) Background

Brady Linen Services, LLC (the Employer) is a company that provides commercial laundry services throughout Las Vegas to various customers including hotels and casinos. The Employer currently owns and operates four facilities.

1) Joint Stipulations

Prior to the start of the hearing the parties entered into the following joint stipulations:

- a) Bradley Linen Services LLC (the Employer) has been a party to a collective-bargaining agreement (CBA) with the Union since 2009.

- b) In 2013, the employer acquired the commercial laundering plants formerly known as Mission Industries and in doing so, signed an assumption agreement of the existing CBAs between the Union and Mission Industries, which expired in 2011.
- c) The employer currently owns and operates four (4) laundering facilities located throughout the Las Vegas valley (Mayflower, Lindell, Foremaster, and Losee).
- d) The CBAs in place at the time of the acquisition of Mission industries varied slightly from the CBA's already in place at the Employer's facilities, so beginning in 2013 the Employer and Union began negotiating four (4) separate CBAs together with slightly different wages and pensions for each plant.
- e) Throughout 2013, the Employer (Linda Prosser-Rux) met a union business agent (Terry Smith) for several sessions but they were unable to reach an agreement.
- f) On or about November 21, 2013, the Employer engaged with the law firm of Kamer Zucker Abbott to assist in its negotiations with the Union.
- g) Around that same time, a new business agent, Local President Thomas O'Mahar, was assigned by the union to resume negotiations with the employer.
- h) The Parties met for an informal status meeting on February 3, 2014, and agreed to disregard the previous negotiations since both parties were introducing new chief negotiators; Local President Thomas O'Mahar for the Union and attorney Gregory Kamar for the Employer.
- i) In August of 2014, Brady Industries and Brady Linen Services physically separated. Prior to August 2014, the two companies shared payroll and a Human Resources office.
- j) The Union and the Employer met on September 8, 2014. During this negotiating session, the Employer provided a proposal packet, including an incomplete proposal (the space next to "AMOUNT" was left blank for Article 23.02:Contributions (contribution provision) which designates financial contributions to be made by the Employer to the Union's Joint Apprenticeship and Training Committee (JATC), but no tentative agreements were agreed upon. (See GC Exh. 3. p. 57.)
- k) On January 23, 2015, the parties met again and reached about 64 tentative agreements based upon the Employer's September 8, 2014 proposal, however the incomplete proposal for the contribution was not one of them.

(Jt. Exh. 1.)

2) Bargaining History

As summarized briefly above in the joint stipulations, after failing to reach agreement, the parties again began negotiations in earnest on September 8, 2014, with a union economic proposal and an Employer counterproposal. The Employer proposal left blank the financial contribution provision for Article 23.02. The parties then met again on October 15, 2014. The Union submitted a proposal packet which included a new Article 23.02 proposal. (GC Exh. 6 p. 17.) The Employer provided a counterproposal which did not include a proposal for Article 23.02. (GC Exh. 7.) The Union followed with a new proposal that did not include Article 23.02. (GC Exh. 8.) On January 23, 2014, the parties again met and reached about 64 tentative agreements based upon the Employer's September 8, 2014 proposal. The agreed upon items included Article 23.01 Agreement and Declaration of Trust which provided that:

The Employer agrees to be bound by the Agreement and Declaration of Trust establishing the Southern Nevada Operating and Maintenance Engineers Apprenticeship and Training Trust Fund.

The parties also agreed upon Article 23.03 which provided that:

Each employer who employs at least ten (10) but less than twenty (20) engineers, excluding apprentices, may, employ said number of engineers, and employ at least one (1) apprentice engineer. Further, each Employer who employs twenty (20) or more engineers, excluding apprentices, shall, at all times he employs said number of engineers, employ at least two (2) Apprentice Engineers. The parties agree that the Employer retains the option to determine whether it will employ an Apprentice Engineer as a journeyman following his/her completion of the apprenticeship program. The seniority of a journeyman engineer who has completed an apprenticeship shall be computed from the day he/she was last hired as an Apprentice Engineer in that particular establishment. (GC Exh. 11.) (GC Exh. 2.)

The parties however did not reach agreement on the Article 23.02 proposal during this session. The next meeting was held on February 20, 2015. At this meeting, the Union presented a proposal titled; "Conceptual Resolution of all Outstanding Open Sections 2.20.15" which purported to identify which sections were still "open" and included Article 23.02. (GC Exh. 9 p. 19.) This packet also included a proposal for Article 23.02. On April 23, 2015, the Union presented Employer with its proposals which included a proposal for Article 23.02. (GC Exh. 10 p. 17.) The Employer presented a counterproposal which contained a page with the Title "Article 23.02 Contributions" which was blank. (GC Exh. 11.) On June 24, 2015, the Union presented a proposal with a modified Article 23.02. (GC Exh. 13 p. 14.) On this same date, the Employer presented the Union a document titled, "Brady Engineers Negotiations Status" in which in reference to "Article 23.03 Contributions" the document noted, "Brady rejects Union proposal." (GC Exh. 11 p. 2.) The Employer also presented its proposals which, unlike the previous proposal, did not include any page referencing Article 23.02. (GC Exh. 15.) On July 17, 2015, the parties met for their final negotiation session. The Union presented a proposal which again included the previous proposal for Article 23.02 which the Employer had previously referenced as rejected in its June 24, 2015, "Brady Engineers Negotiations Status" document. (GC Exh. 16.) The employer advised that it would email its last, best, and final offer.

Thereafter, on August 6, 2015, Linda Rux, emailed to Tom O'Mahar various documents including a document titled, "Brady Last and Final Proposal" and documents titled "Brady Last And Final Proposal Cover Letter," and "Status by Article". (GC Exh. 17a.) The cover letter contained the following language: "Any outstanding union proposals, whether in the form of a formal proposal or in the form of contract language that is not identified above is, formally rejected." (GC Exh. 17(b).) The "Status by Article" document contained references to Article 23.01 and Article 23.03 showing them to have been tentatively agreed on January 23, 2015, but did not include any reference to Article 23.02. (GC Exh. 17(c).) The "Brady Last Best and Final" similarly did not include any reference to Article 23.02. (GC Exh. 17(d) and (e).)

On August 13, 2015, the Union held two ratification meetings wherein the Employers last, best, and final offer was distributed to employees along with the articles tentatively agreed

upon. (GC Exh. 18.) Charles Ed Martin, a union “Business Representative,” emailed Greg Kamer, the attorney for the Employer. The email set forth the following, “The members at Brady Linen voted for ratification of the last best and final offer from Brady Linen. We will begin assembling the document for proof reading soon.” (GC Exh. 4.) Thereafter, in September 5 2015, the Union and Employer communicated regarding typographical errors and a numerical error in wages that the Employer agreed to correct. (GC Exh. 19.) On September 25, 2015, the Union emailed the Employer draft CBA’s for each of the four properties. Each draft included an Article 23.02 despite the Employers previous rejection and the lack of any agreement on the provision. On October 16, 2015, Rachael Spencer responded to Tom O’Mahar and advised him,

10 Me and my team have carefully compared your proposed Mayflower CBA with our notes, TS’s and our Last and Best final proposal which was voted upon by your membership. There are a great number of errors in your proposed contract and the language that was agreed to. The errors that do not create substantive 15 changes I am willing to ignore. However, listed below are substantial mistakes which must be corrected or we will not have a contract we can sign off on. (GC Exh. 21 (a).)

20 Among the items identified as “substantial” was the Article 23.02 provision which Spencer noted, “this was not agreed upon.” (GC Exh. 21(a).) On November 12, 2015, the Union emailed four revised drafts of the CBAs and again included Article 23.02. (GC Exh. 22.) The Union also provided the Employer with an outline of corrections it made to Brady’s draft CBAs. Under the heading of Section 23.02 the Union set forth the following language:

25 The Employer’s Last, Best and Final offer omitted Section 23.02 so we originally used the existing rates at the properties rather that use the Employer’s last proposal on the Section from September 8, 2014 which, based on its structure would not fit well in the current CBA’s. Based on your response, since the 30 proposal was never withdrawn by the Employer, I will insert that proposal in and inform the JATC that they should prepare a supplemental billing for the additional contribution amounts for 2014 and 2015. (GC Exh. 22)(b).)

35 On December 14, 2015, the Employer emailed the Union and advised that it agreed with all of the comments and corrections, except Article 23.02 which the Employer again reiterated was not part of the agreement. The Employer specifically referenced that language of the last, best, and final offer which had included language which rejected any outstanding union proposals which were not included in the last, best, and final offer (GC Exh. 23). The employer bluntly advised “remove 23.02 as it was formally rejected.” (GC Exh. 23.)

40 On December 17, 2015, the Union responded to the employer’s assertion that Article 23.02 had been formally rejected by asserting, “The language currently in 23.02 was not a Union proposal it was an Employer’s proposal and it was never withdrawn therefor (sic) it was still active at the point the Employer made their offer.” (GC Exh. 24.) The Employer responded on 45 December 29, 2015, noting that, “As for Article 23.02 on 6/24/2015 you gave us a proposal and it was rejected and was not part of the Brady Last, Best and Final so it was rejected. Remove it as it was rejected.” (GC Exh. 25 p. 2.)

On January 6, 2016, the Union delivered final drafts to the Employer all of which included Article 23.02. On or about February 9, 2016, the Employer delivered to the Union the four signed copies of the CBA's with a cover page outlining the Employers position regarding Article 23.02. In the Employer's signed version, Article 23.02 was redacted out. The cover page that accompanied the signed copies summarized the history of bargaining surrounding Article 23.02, and set forth the Employer's position that, "there is no signed tentative agreement on the contribution provision, nor are there any proposals from the Company for the contribution provision." (GC Exh. 26(a).) The Employer concluded by noting, "Brady has every intention of complying with all topics that were collectively bargained, however, the contribution provision was never agreed upon by the parties." (GC Exh. 26(a).) Since the signing by the Employer of the CBAs with the redacted portion of Article 23.02, the Union has failed and/or refused to execute the CBA's.

Analysis

It is well settled that the Section 8(d) obligation to bargain collectively requires either party, upon the request of the other party, to execute a written contract incorporating an agreement reached during negotiations. *H. J. Heinz v. NLRB*, 311 U.S. 514 (1941). Specifically, the Board has held that under Section 8(b)(3) it is a per se violation for a union to refuse an employer's request to sign a negotiated agreement. See *Windward Teachers Assn.*, 346 NLRB 1148, 1150 (2006); *Graphic Communications Union District 2 (Riverwood International USA)*, 318 NLRB 983, 990 (1995).

The obligation to sign arises only if the parties had a "meeting of the minds" on all "substantive issues and material terms" of the agreement. See *Sunrise Nursing Home*, 325 NLRB 380, 389 (1998). The General Counsel bears the burden of showing not only that the parties had the requisite "meeting of the minds" on the agreement reached but also that the document which the respondent refused to execute accurately reflected that agreement. See *Kelly's Private Car Service*, 289 NLRB 30, 39 (1988), *enfd. sub nom. NLRB v. W.A.D. Rentals Ltd.*, 919 F.2d 839 (2d Cir. 1990); *Cherry Valley Apartments*, 292 NLRB 38, 40 (1988); *Paper Mill Workers Local 61 (Groveton Papers Co.)*, 144 NLRB 939, 941-942 (1963). Whether there was a "meeting of the minds" is based upon an analysis of on the objective terms of the contract, not on the parties' subjective understanding of those terms. See *Hempstead Park Nursing Home*, 341 NLRB 321, 323 (2004).

a) Meeting of the Minds

I am not persuaded by the Union's assertions that because the Employer agreed to include Article 23.01 and 23.03 therefore it follows that there was no "meeting of the minds." The Union's argument is premised on the notion that the lack of Article 23.02 renders the entire Article 23 "superfluous" and ambiguous. (U. Br. at 9.) I disagree. The mere fact that the employer does not agree to pay for apprentice training does not otherwise render its agreement to employ apprentices "superfluous" or ambiguous. On the contrary, there is no ambiguity in the Employer's position that although it agrees to abide by the Agreement and Declaration of Trust and the employment of apprentices it does not agree to pay for the training. (GC Exh. 11.)

I am similarly not persuaded by the Union's contention that to find a "meeting of the minds" would force the parties to agree to a "nullity." This argument is a reiteration of the Union's argument above which asserts that without Article 23.02 the entire Article 23 is "meaningless." In the first instance, it should be noted that if the Union believed this to be the case it could have communicated this exact sentiment to the employer prior to ratifying the contracts that were presented to it but it did not. Secondly, as stated above, an agreement to employ apprentices while not paying for the apprenticeship training does not render Article 23 "meaningless." Presumably, the Union receives something of value by having the employer agree to employ persons who are apprentices regardless of who pays for their training. Nor can it be argued that the Employer's actions in not including Article 23.02 were somehow a mistake. The Employer made clear that it was rejecting the Union's proposals regarding 23.02 and in fact agreed to give employees pay raises in lieu of the contributions contemplated in Article 23.02. I find that the General Counsel has met its burden of establishing a "meeting of the minds" and find that the Union violated the Act by refusing to sign the negotiated agreement.

b) The Union's Attempt to Modify the Agreed Upon Terms by the Unilateral Addition of Article 23.02

The Union's unilateral addition of Article 23.02 language in an attempt to modify the language of the Last, Best and Final offer that was ratified and agreed upon standing alone is a breach of the Union's duty to bargain in good faith. Once the Union agreed to the last, best, and final offer it was bound to incorporate those terms into a written contract. *H.J. Heinz & Co., v. NLRB*, 311 U.S. 54, 524 (1941). The attempt to obtain terms that it deemed more favorable than the terms which it agreed upon by simply unilaterally inserting them constitutes an unlawful refusal to execute a completed contract in violation of the Act. See for example, *Ohio Car & Truck Leasing, Inc.*, 149 NLRB 1423 (1964); *Alta Bates Medical Center*, 321 NLRB 382 (1996). In so finding, it is important to note that I generally find O'Mahar's justifications for his insertion of the new terms to lack credibility. The notion that as far as Article 23.02 was concerned that O'Mahar was, "unaware there was a dispute over it," or that it was a "proposal that was never withdrawn" or that after the passage of 3 months a "mistake" was discovered is simply unworthy of credence in light of the clear documentary evidence of record of the Employer rejecting the Union proposals including the language of the Last, Best Final offer itself. (GC Exh. 22(b), Tr. 112.)

CONCLUSIONS OF LAW

1. Brady Linen Services LLC is an employer engaged in commerce within the meaning of Section 2(2), (6), and (7) of the Act.

2. Respondent is a labor organization within the meaning of Section 2(5) of the Act.

3. Since on or about February 9, 2016, Respondent has violated Section 8(b)(3) of the Act by failing and refusing to execute the collective-bargaining agreements between Respondent and Brady Linen Services, LLC.

Remedy

Having found Respondent has engaged in certain unfair labor practices, I find Respondent must be ordered to cease and desist and to take certain affirmative action designed to effectuate the policies of the Act.

a) Respondent shall, on request, execute the collective bargaining agreements with Brady Linen, LLC. Respondent shall make whole those employees of Brady Linen LLC, covered by the collective-bargaining agreements for any loss of earnings and other benefits suffered by them as a result of Respondent's unlawful failure and refusal to execute the collective-bargaining agreement since February 9, 2016, plus interest as computed in *New Horizons*, 283 NLRB 1173 (1987), compounded daily as prescribed in *Kentucky River Medical Center*, 356 NLRB 6 (2010).

b) Respondent will be ordered to post an appropriate notice.

On these findings of fact and conclusions of law and on the entire record, I issue the following recommended¹

Order

The Respondent, International Union of Operating Engineers, Local 501, its officers, agents, successors, and assigns, shall:

1. Cease and desist from engaging in the following conduct

(a) Failing or refusing to execute the collective-bargaining agreement with Brady Linen LLC.

(b) Within 14 days after service by the Region, post at its facility in Las Vegas Nevada copies of the attached notice marked "Appendix."² Copies of the notice, on forms provided by the Regional Director after being signed by the Respondent's authorized representative, shall be posted by the Respondent immediately upon receipt and maintained for 60 consecutive days in conspicuous places including all places where notices to employees are customarily posted. Reasonable steps shall be taken by the Respondent to ensure that the notices are not altered, defaced, or covered by any other material. In addition to physical posting of paper notices, the notices shall be distributed electronically, such as by email, posting on an intranet or an internet site, and/or other electronic means, if the Respondent customarily communicates with its employees by such means. In the event that, during the pendency of these proceedings, the Respondent has gone out of business or closed the facility involved in these proceedings, the

¹ If no exceptions are filed as provided by Sec. 102.46 of the Board's Rules and Regulations, the findings, conclusions, and recommended Order shall, as provided in Sec. 102.48 of the Rules, be adopted by the Board and all objections to them shall be deemed waived for all purposes.

² If this Order is enforced by a judgment of a United States court of appeals, the words in the notice reading "Posted by Order of the National Labor Relations Board" shall read "Posted Pursuant to a Judgment of the United States Court of Appeals Enforcing an Order of the National Labor Relations Board."

Respondent shall duplicate and mail, at its own expense, a copy of the notice to all current Unit employees and former Unit employees employed by the Respondent at any time since February 9, 2016.

- 5 (c) Within 21 days after service by the Region, file with the Regional Director a sworn certification of a responsible official on a form provided by the Region attesting to the steps that the Respondent has taken to comply.

Dated, Washington, D.C., July 20, 2017.

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A handwritten signature in black ink, appearing to read "Nickie Montemayor", is written over a horizontal line.

Nickie Montemayor
Administrative Law Judge

APPENDIX

NOTICE TO EMPLOYEES
POSTED BY ORDER OF THE
NATIONAL LABOR RELATIONS BOARD
AN AGENCY OF THE UNITED STATES GOVERNMENT

The National Labor Relations Board has found that we violated Federal labor law and has ordered us to post and obey this notice.

FEDERAL LAW GIVES YOU THE RIGHT TO

- Form, join, or assist a union
- Choose a representative to bargain with your employer on your behalf
- Act together with other employees for your benefit and protection
- Choose not to engage in any of these protected activities.

WE WILL NOT do anything to prevent you from exercising the above rights.

WE WILL NOT fail and/or refuse to bargain collectively and in good faith with the employer, Brady Linen Services, LLC, by refusing to sign the collective-bargaining agreements that the Employer submitted to us on August 6, 2015, which did not include Article 23.02 Contributions or otherwise repudiate those agreements.

WE WILL NOT in any like or related manner restrain or coerce you in the exercise of your rights under Section 7 of the Act.

WE WILL, upon request by Brady Linen Services, LLC, promptly sign the collective-bargaining agreements, which it submitted to us on or about February 9, 2016.

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 501
(Labor Organization)

Dated: _____ By: _____
(Representative) (Title)

The National Labor Relations Board is an independent Federal agency created in 1935 to enforce the National Labor Relations Act. It conducts secret-ballot elections to determine whether employees want union representation and it investigates and remedies unfair labor practices by employers and unions. To find out more about your rights under the Act and how to file a charge or election petition, you may speak confidentially to any agent with the Board's Regional Office set forth below. You may also obtain information from the Board's website: www.nlrb.gov.

2600 North Central Avenue, Suite 1400, Phoenix, AZ 85004-3099

(602) 640-2160, Hours: 8:15 a.m. to 4:45 p.m.

The Administrative Law Judge's decision can be found at www.nlrb.gov/case/28-CB-170340 or by using the QR code below. Alternatively, you can obtain a copy of the decision from the Executive Secretary, National Labor Relations Board, 1015 Half Street, S.E., Washington, D.C. 20570, or by calling (202) 273-1940.



THIS IS AN OFFICIAL NOTICE AND MUST NOT BE DEFACED BY ANYONE

THIS NOTICE MUST REMAIN POSTED FOR 60 CONSECUTIVE DAYS FROM THE DATE OF POSTING AND MUST NOT BE ALTERED, DEFACED, OR COVERED BY ANY OTHER MATERIAL. ANY QUESTIONS CONCERNING THIS NOTICE OR COMPLIANCE WITH ITS PROVISIONS MAY BE DIRECTED TO THE ABOVE REGIONAL OFFICE'S COMPLIANCE OFFICER, (602) 416-4755.